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14 UNITED STATES DISTRICT COURT
15 FOR THE NORTHERN DISTRICT OF CALIFORNIA
16 SAN JOSE DIVISION

17 JENS ERIK SORESENSEN, as Trustee of
18 SORESENSEN RESEARCH AND
19 DEVELOPMENT TRUST,

20 Plaintiff

21 v.

22 LEXAR MEDIA, INC., a Delaware
23 corporation; and DOES 1 – 100,

24 Defendants.

25 and related counterclaims.

) Case No. C08-00095 JW

)

) **REDACTED – PUBLIC VERSION**

)

) **SUPPLEMENTAL BRIEF IN**

) **SUPPORT OF PLAINTIFF'S**

) **MOTION FOR APPLICATION OF**

) **35 U.S.C. § 295 PRESUMPTION OF**

) **INFRINGEMENT**

)

) Date: September 8, 2008

) Time: 9:00 A.M.

) Courtroom 8, 4th Floor

) Judge: The Hon. James Ware

)

) *Oral Argument is Respectfully Requested
at Hearing on This Matter.*

)

TABLE OF CONTENTS

1		
2	TABLE OF AUTHORITIES	iii
3		
4	INTRODUCTION	1
5	FACTUAL SUMMARY	2
6	<i>Identification of Manufacturers</i>	2
7	<i>Manufacturing Process Information</i>	3
8	ARGUMENT	8
9		
10	I. DISCOVERY HAS PRODUCED ONLY INCONSISTENT, UNRELIABLE,	
11	HEARSAY EVIDENCE OF THE ACCUSED PROCESSES.	8
12	A. <u>Lexar has not produced complete, reliable, or internally consistent</u>	
13	<u>process information from its suppliers</u>	10
14	1. No manufacturing process information has been provided as to	
15	the first supplier –	10
16	2. Only incomplete manufacturing process information was	
17	provided as to the second supplier –	11
18	3. Vague, confusing, and facially unreliable evidence was provided	
19	as to the third supplier –	11
20	B. <u>There are only hearsay representations from foreign national witnesses</u>	
21	<u>supporting Lexar’s Description of the manufacturing process</u>	13
22	II. DISCOVERY PROVIDES ADDITIONAL SUPPORT FOR THE	
23	“SUBSTANTIAL LIKELIHOOD OF INFRINGEMENT” PRONG OF 35	
24	U.S.C. § 295 APPLICATION.....	13
25	1. First Evidence of Common Mold Parts Usage by ATG –	
26	Photographs of Identical Mold Halves.	15
27	2. Second Evidence of Common Mold Parts Usage by ATG –	
28	Photographs of Identical Closed Molds.....	16
	3. Third Evidence of Common Mold Parts Usage – Photos of	
	Rotary Molder and Molds for Rotary Molders.....	16

1 4. Fourth Evidence of Common Mold Part Usage – Lexar has
2 now admitted use of a rotary molding process for at least one
3 supplier..... 18

4 III. PLAINTIFF HAS MADE ALL REASONABLE EFFORTS REQUIRED
5 FOR APPLICATION OF 295 BURDEN SHIFT. 19

6 IV. 35 U.S.C. § 295 CAN BE USED BY THE COURT TO MOTIVATE A
7 RECALCITRANT DEFENDANT. 21

8 CONCLUSION..... 22

TABLE OF AUTHORITIES

Statutes

35 U.S.C. § 295..... 1, 2, 8, 9, 12, 14, 19, 20, 21, 22, 23

Cases

Kemin Foods L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.,
240 F.Supp.2d 963, 975-78 (S.D. Iowa 2003)..... 1, 8
Nutrinova Nutrition Specialties & Food Ingredients GmbH v. ITC,
224 F.3d 1356, 1360 (Fed. Cir. 2000) 11, 21

Other Authorities

House Committee on the Judiciary, Process Patents Amendments Act of
1987, H.R. REP. NO. 100-60, at 16 (1987) 12

INTRODUCTION

As explained in greater detail below, Lexar's constantly changing production of mutually inconsistent and unreliable information with regard to the accused processes makes this case analogous to that in *Kemin Foods L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.*, 240 F.Supp.2d 963, 975-78 (S.D. Iowa 2003), and its subsequent order at *Kemin Foods*, No. 4:02-cv-40327, Order on Plaintiff's Motion to Apply 35 U.S.C. § 295 dated August 27, 2004 (Dkt. # 201), at 32-33¹. In the *Kemin* case, the Court applied 35 U.S.C. § 295 to shift the burden of proof when plaintiff "was left with a host of inconsistent observations, unexplained solvents, and constantly changing representations." *Id.* at 29. The depositions did nothing to clear up the discrepancies and inconsistencies. *Id.* at 29-30.

On June 30, 2008, the Court continued hearing on Plaintiff's Motion for Application of Presumption of Infringement under 35 U.S.C. § 295 ("295 motion") for approximately 10 weeks for Plaintiff to conduct discovery of the accused processes and with the Court's express encouragement for Lexar to be forthcoming with such information.

Plaintiff diligently proceeded with discovery, including interrogatories, requests for production of documents, and an FRCP 30(b)(6) deposition of Lexar's most knowledgeable person regarding the manufacturing process, designated by Lexar as Mr. Ton Nguyen ("Nguyen depo" or "30(b)(6) witness").

Defendant has delayed every single aspect of this discovery, including serving supplemental discovery responses less than 24 hours prior to the due date of this brief. The supplements include substantially rewritten responses to interrogatories describing the manufacturing process, number of units produced or imported into the U.S., identifying multiple new suppliers, and identifying new knowledgeable

¹ The entirety of the *Kemin* court's order is attached to the *Kramer Decl.* at Exhibit A.

1 witnesses. Where possible, Plaintiff has incorporated some of this new discovery
2 into material portions of this brief.

3 Defendant also attempted to lure Plaintiff's representatives to Taiwan with a
4 last-minute "offer" to produce a single set of molds (out of at least three sets) *after*
5 this briefing deadline, over the Labor Day weekend, and on one week's notice.
6 Since then, Defendant served supplemental interrogatory responses showing that the
7 company whose molds were to be proffered (actually subcontracted out
8 manufacturer to an entirely different company ().

9 Lexar has provided inconsistent information both denying, yet pictorially
10 admitting, the use of a "**common mold part.**" Denial of the use of a **common mold**
11 **part** has been the basis for Lexar's assertion of non-infringement. This indicia
12 bolsters the "substantial likelihood of infringement" prong for 35 U.S.C. § 295
13 application, while the Lexar's denial and inconsistency in the discovery responses
14 supports the "unable to so determine" portion of the "reasonable efforts" prong.

15 As this supplemental briefing will detail, this case is demonstrative of the very
16 reason that Congress implemented 35 U.S.C. § 295, and make Plaintiff's case for
17 propriety of application even stronger and more timely than it was on June 30th.

18 **FACTUAL SUMMARY**

19 On June 30, 2008, the Court continued the hearing on Plaintiff's 295 Motion
20 for ten weeks, directed Plaintiff to conduct discovery of the manufacturing process
21 during that time, and required supplemental briefing to be filed by August 29th. The
22 results of Plaintiff's further diligent efforts to obtain accurate and complete
23 manufacturing process information are as follows.

24 *Identification of Manufacturers*

25 Prior to litigation, Lexar repeatedly represented to Sorensen that it had two
26 suppliers, neither of which would Lexar identify. At the June 30th hearing,
27 Defendant's counsel assured the Court that Lexar knew who its suppliers were.
28 *Kramer Decl.*, ¶ 5, Exhibit B.

On July 7th, in response to Interrogatory No. 5, Lexar identified only two manufacturers -

. *Kramer Decl.* ¶ 6, Exhibit C.

Plaintiff identified a third manufacturer through review of approximately 1500 pages of documents first produced on August 20th - Fourté Design & Development, located in . *Kramer Decl.* ¶ 7. Lexar first confirmed the existence of the third supplier, , in its 30(b)(6) deposition on August 22nd. *Kramer Decl.* ¶ 8, Exhibit D, at page 12:7-16.

Lexar's document production suggested the possible existence of additional manufacturers, though Lexar did not confirm the existence of others at the deposition. *Kramer Decl.* ¶ 9, Exhibit E.

In supplemental interrogatory responses served on August 28th, Lexar identified even more manufacturers/suppliers – (no address given); (Taiwan address); (China address). *Kramer Decl.* ¶ 10, Exhibit G.

Manufacturing process information

Lexar originally responded to Interrogatory No. 9 with a single step-by-step manufacturing process description that did not distinguish between any of its manufacturers. *Kramer Decl.*, ¶ 11, Exhibit F.

Lexar's August 28th supplemental response copied the same step-by-step process for both and and changed only the description to conform to admissions made in the Nguyen depo to reflect transfer of parts from mold cavity to mold cavity by machine, and use of a rotary mold (showing usage of **common mold parts**). See Exhibit G, supplemental response to Interrogatory No. 9.

The sources for the original Interrogatory No. 9 response are itemized in response to Interrogatory No. 10. The sources identified at 48 pages of documents, and five individuals identified as working for either or , and all located

1 in Taiwan. None of the individuals is subject to deposition in this case. See *Kramer*
2 *Decl.* Exhibit F.

3 The documents identified are LEXSRDT00026-73, which consists of
4 correspondence between Lexar and its counsel, and , during the
5 time period of April 2005 and July 2006. It also includes a three-page pictorial
6 description of process with pictures (LEXSRDT00043-45) (“Storyboard”) from
7 which it appears Lexar largely derived its step-by-step process for the original
8 response to Interrogatory No. 9. *Kramer Decl.* ¶ 12, Exhibit H.

9 Lexar’s belated document production on August 20th (LEXSRDT00077-1733)
10 included approximately 300 photographs of molds and molding equipment.
11 Although the photographs are without foundation or any explanation of their source,
12 Lexar’s counsel represented to Plaintiff’s counsel by letter dated August 27, 2008, as
13 follows:

14 Lexar has already produced photographs of the mold sets and the
15 machines used in making the Accused Product. The photographs can be
16 found in the range LEXSRDT0001397-1773, and a video of one of the
17 injection molding machines in operations can be found at
LEXSRDT0001774.

18 *Kramer Decl.* ¶ 13, Exhibit N.

19 *Process used by* . No actual manufacturing process information was
20 supplied for until the supplemental interrogatory response of August 28th.
21 However, that response is merely a cut and paste of the internally inconsistent
22 description from (see Section II of the Argument). *Kramer Decl.* ¶ 14, see also
23 Exhibit F.

24 However, there is no evidence that Lexar ever contacted regarding
25 Plaintiff’s allegations of infringement, nor made any request for manufacturing
26 process information from . *Kramer Decl.* ¶ 15. In fact, Lexar’s deponent
27 admitted that Lexar had not contacted . *Kramer Decl.* Exhibit D, page 17:22-
28 18:11.

1 Plaintiff has had no opportunity to make efforts to inquire with directly.
2 Plaintiff cannot even subpoena a plant inspection because it is not yet known where
3 actual manufacturing facilities are located. *Kramer Decl.* ¶ 16.

4 *Process used by* . Lexar produced correspondence regarding
5 the Plaintiff's infringement allegations and responses thereto. The second round of
6 production, contained communications from that are inconsistent with both
7 prelitigation communication, and with Lexar's response to Interrogatory No. 9.
8 Specifically, at least two email communications confirm that advised Lexar
9 that

10 as the original Interrogatory No. 9 response states. *Kramer Decl.* ¶ 17.
11 The supplemental response to Interrogatory No. 9, concedes that the
12 (see *Kramer Decl.* Exhibit F), as did Lexar's 30(b)(6)
13 witness (see *Kramer Decl.* Exhibit D, page 57:4-18).

14 In pre-litigation discussion, on April 20, 2006,
15
16
17
18

19 *Kramer Decl.* ¶ 18, Exhibit J.

20 By letters dated June 28, 2006 and July 21, 2006, Lexar's counsel
21 unequivocally stated that
22
23
24

25 *Kramer Decl.* ¶ 19, Exhibit K.

26 That representation from Lexar was "categorically" false. On October 19,
27 2005,
28

(LEXSRDT0001251). *Kramer Decl.* ¶ 20, Exhibit L.

Again, in an email dated October 20, 2005,

Kramer Decl. ¶ 21, Exhibit M.

This was confirmed by Lexar's FRCP 30(b)(6) witness. *Kramer Decl.* Exhibit D, page 58:13-18.

Lexar's **supplemental** response to Interrogatory No. 9 finally admits that

Kramer Decl. Exhibit G, response to Interrogatory No. 9. *Kramer Decl.* ¶ 22.

Thus, Lexar has misrepresented process to Sorensen for three years, including in sworn discovery responses.

As of August 27th, Lexar's counsel has represented that "the mold set in possession is owned by Lexar" and states that "the mold set is located in Shenzhen, China." Lexar's counsel also represented that the Accused Product is no longer being manufactured. *Kramer Decl.* ¶ 23, Exhibit N.

No actual mold tooling for has been presented for inspection, and Plaintiff is unable to compel inspection of a facility in China for the reasons set forth in Plaintiff's opening brief. *Kramer Decl.* ¶ 24.

Process used by . Lexar produced copies of correspondence between Lexar and regarding the Plaintiff's infringement allegations and a response thereto. The information provided by is inconsistent and misleading as described in more detail in Argument Section II, below. In short, stand in direct contradiction to

1 On August 22nd, Lexar sent a letter to Plaintiff's counsel "offering" to make
 2 the mold tooling available for inspection in Taiwan for inspection on
 3 September 1st or 2nd. Lexar did not specify any further details or any particular
 4 address, did not offer an inspection of any manufacturing equipment, nor any
 5 inspection of the manufacturing facility, nor availability of anyone for sworn
 6 testimony about those molds. Plaintiff responded indicating that it was not possible
 7 to coordinate such a trip on such short notice, and made further inquiries. *Kramer*
 8 *Decl.* ¶ 25 Exhibits P and Q.

9 Lexar's counsel has represented to Plaintiff's counsel that "[t]o the best of
 10 Lexar's current knowledge, the mold set in possession is owned by "
 11 and say that "the mold set is located in Taipei." Lexar also insists that if
 12 Sorensen does not want to go to Taiwan to inspect these molds, Sorensen must pay
 13 for the cost to ship the molds to the U.S. and back, along with customs fees. *Kramer*
 14 *Decl.* ¶ 26, Exhibit N.

15 *Discovery games*

16 During the June 30th hearing, Lexar's counsel confirmed to the Court that
 17 Lexar knew the Accused Products suppliers, but claimed that Lexar had not
 18 previously identified them. Lexar waited until August 28th to provide its most recent
 19 list of manufacturers, which is now many more than the two suppliers it claimed for
 20 years prelitigation. *Kramer Decl.* ¶ 27.

21 Despite timely document requests, Lexar produced only 73 pages initially. All
 22 of the documents were initially designated as "Highly Confidential – Attorneys Eyes
 23 Only," thus delaying Plaintiff's ability to have the documents reviewed by its
 24 experts. Lexar finally de-designated to "Confidential." *Kramer Decl.* ¶ 28.

25 Less than 48 hours prior to Lexar's 30(b)(6) deposition, it produced 1500
 26 pages of new documents, many directly related to the topics noticed for the
 27 deposition. More than 300 pages were photographs of molds and molding machines.

28 Furthermore, this batch of documents contained the first reference to a

1 California supplier, , but identification was made too late for Plaintiff to direct
2 any discovery requests to . *Kramer Decl.* ¶ 29.

3 ARGUMENT

4 I. DISCOVERY HAS PRODUCED ONLY INCONSISTENT, UNRELIABLE, 5 HEARSAY EVIDENCE OF THE ACCUSED PROCESSES.

6 The case of *Kemin Foods L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.*,
7 240 F.Supp.2d 963, 975-78 (S.D. Iowa 2003) demonstrates the application of the 35
8 U.S.C. § 295 presumption of infringement under similar facts to this case.

9 Initially, at the preliminary injunction stage of the proceedings, the district
10 court in *Kemin Foods* found that the burden-shifting approach of Section 295 was
11 unavailable to the plaintiff patentholder. The court found that the plaintiff had failed
12 to show both that it had made reasonable efforts to determine the process actually
13 used in the production of the product and a substantial likelihood of infringement.

14 Approximately one year later, the plaintiff moved again for application of the
15 presumption under Section 295. This time the district court granted the motion and
16 shifted the burden of proving non-infringement to the defendant. *Kemin Foods*, No.
17 4:02-cv-40327, Order on Plaintiff's Motion to Apply 35 U.S.C. § 295 dated August
18 27, 2004 (Docket No. 201), at 32-33 (a complete copy of the Order is attached to
19 *Kramer Decl.* as Exhibit A). As to the first prong, the court found that the plaintiff
20 had shown a substantial likelihood that the offending process infringed the patented
21 process, noting that the plaintiff was not required to prove infringement, but only
22 show a substantial likelihood of infringement. *Id.* at 19-20. The court also noted
23 that **it was appropriate under Section 295 for the plaintiff to show substantial**
24 **likelihood of infringement by relying on discovery it later argued was deficient.**
25 *Id.* at 11 n.14 (emphasis added).

26 As for the second prong, the court noted that Section 295 only requires the
27 plaintiff to make reasonable efforts to determine the defendant's actual process, and
28

1 the court found that the plaintiff in *Kemin Foods* had fulfilled that requirement. *Id.*
2 at 31-32. The court noted that the plaintiff had been able to collect discovery
3 through documentary evidence, depositions, and site inspections and sample testing.
4 *Id.* at 23. Because the defendant did not maintain records of its process, the only
5 documentation of defendant's process was prepared at the request of defendant's
6 attorneys for purposes of the litigation. *Id.*

7 The inspection and associated testing efforts revealed numerous discrepancies
8 between the process documentation and the process demonstrated during the
9 inspections. As the court noted, after the inspections the plaintiff "was left with a
10 host of inconsistent observations, unexplained solvents, and constantly changing
11 representations." *Id.* at 29. The depositions did nothing to clear up the discrepancies
12 and inconsistencies. *Id.* at 29-30.

13 The defendant argued that application of Section 295 was not warranted
14 because defendant had complied with all discovery requests and there were no
15 motions to compel allegedly missing or withheld discovery. *Id.* at 31. The court
16 found that **"while [defendant] has complied with all of [plaintiff's] requests,**
17 **plaintiff has still been unable to discover [defendant's] actual process. The**
18 **results of [plaintiff's] discovery have produced contradictions, errors, and**
19 **discrepancies."** *Id.* at 32 (emphasis added).

20 Accordingly, the court found that despite making reasonable efforts, the
21 plaintiff was unable to discover the actual process through discovery and thus
22 applied the burden-shifting mechanism of Section 295. *Id.* at 32-33.

23 Lexar will likely argue that it has complied with all discovery requests.
24 Though Plaintiff may disagree, that is not the point in this motion. Plaintiff has
25 made diligent efforts to obtain the process, but is left with inconsistencies,
26 unexplained information, and constantly changing representations.

27 A. Lexar has not produced complete, reliable, or internally consistent
28 process information from its suppliers.

1 Interrogatory No. 9 asked Lexar for its step-by-step manufacturing process for
 2 the Accused Products. Lexar's original response made no distinction between the
 3 process used for its separate suppliers, contains representations that are directly
 4 contrary to supplier representations to Lexar, and lacks any information at all from
 5 one of the three confirmed suppliers.

6 1. *No manufacturing process information has been provided as to*
 7 *the first supplier –*

8 Despite Lexar's recent acknowledgement that [redacted] was one of its suppliers
 9 for the Accused Product (contrary to three years of representations and its sworn
 10 interrogatory responses), as of the drafting of this section on August 28th, no
 11 manufacturing process information for [redacted] had yet been produced.

12 At about noon, August 28th, Lexar emailed a supplemental response to
 13 Interrogatory No. 9 that purports to set forth a manufacturing process for [redacted]
 14 However, the supplemental response to Interrogatory No. 10 explaining the basis of
 15 [redacted] process description identifies no [redacted] witnesses. See *Kramer Decl.*,
 16 Exhibit G. This would necessarily make the process description without foundation
 17 in light of Lexar's 30(b)(6) witness's testimony that [redacted] designed its own mold
 18 tooling for the accused product. See *Kramer Decl.*, Exhibit D, page 13:1-3.

19 Lexar's failure to identify this manufacturer until the last minute, and
 20 continued failure to identify exactly the location of [redacted] manufacturing, mold
 21 tooling, or knowledgeable witnesses, is ample reason for application of 35 U.S.C. §
 22 295.

23 35 U.S.C. § 295 is not just a burden shifting mechanism; it also provides the
 24 trial court with "a potent weapon to use against a non-cooperative defendant."
 25 *Nutrinova Nutrition Specialties & Food Ingredients GmbH v. ITC*, 224 F.3d 1356,
 26 1360 (Fed. Cir. 2000). Essentially, it is an incredibly useful and self-executing tool
 27 for preventing discovery abuses, that has been underemployed by the Courts.
 28

1 For three years, Sorensen made reasonable efforts to obtain manufacturing
 2 process information from Lexar, and for three years has received naught but
 3 deception and misdirection, belated and changed responses, and overall lack of
 4 reliable information. Lexar should now bear the burden to prove non-infringement.

5
 6 2. *Only incomplete manufacturing process information was*
 7 *provided as to the second supplier –*

8 Not unlike its hiding of the existence of supplier , Lexar has provided
 9 false information to Sorensen regarding the manufacturing process as
 10 recently as its sworn interrogatory responses. As early as 2005, told Lexar
 11 that
 12 and Lexar's 30(b)(6) deponent admitted this fact. This makes Lexar's original
 13 Interrogatory No. 9 incomplete, misleading, and possibly perjurious.

14 Lexar represents that it owns the mold, which is no longer being used,
 15 yet refuses produce it in the United States to make it accessible as evidence in this
 16 case. Sorensen cannot compel production from China. Having done all the discovery
 17 it can compel as to the process, and still not having received the complete
 18 picture, nor having any ability to access individuals with further knowledge,
 19 Sorensen has taken sufficient reasonable efforts to satisfy 35 U.S.C. § 295.

20 3. *Vague, confusing, and facially unreliable evidence was provided*
 21 *as to the third supplier –*

22
 23 As discussed in more detail in Section II, the 3-page "Storyboard" process
 24 description proffered by is rife with contradictions between the text and the
 25 photographs.

26 Lexar made an entirely unreasonable "offer" for Sorensen and its expert to
 27 jump on a plane on a week's notice to travel halfway around the world to view molds
 28 at an undisclosed location in Taipei during the week separating the supplemental

1 briefing from the hearing in this matter. There is no explanation why the molds are
2 in Taipei, as the company identified by Lexar as the manufacturer in response
3 to Interrogatory No. 5 is which is located in
4 mainland China, not Taiwan. *Kramer Decl.* ¶ 30, Exhibit R.

5 Lexar was made fully aware of the discovery problems inherent in evidence
6 located on mainland China due to Plaintiff's original briefing on this 295 Motion. If
7 Lexar moves physical evidence from mainland China to Taiwan to avoid PRC legal
8 issues, Lexar could as easily bring the molds to the United States.

9 35 U.S.C. § 295 was passed to help U.S. patent holders deal with the
10 increasing number of foreign manufactures importing infringing products into the
11 United States, and the difficulty in obtaining discovery of manufacturing processes
12 from such foreign manufacturers:

13 This presumption addresses a great difficulty a patentee may have in
14 proving that the patented process was actually used in the manufacture
15 of the product in question in those cases, where the manufacturer is not
16 subject to discovery under the Federal Rules of Civil Procedure. . . .
17 Shifting the presumption should create no substantial burden, as an
18 accused infringer should be in a much better position to establish that
the product was made by another method.

19 *House Committee on the Judiciary, Process Patents Amendments Act of 1987,*
20 *H.R. REP. NO. 100-60, at 16 (1987).*

21 If Lexar has the ability to makes molds available for inspection in Taiwan, it
22 can also make them available in the United States. Application of the 295
23 presumption of infringement is appropriate now and creates no substantial burden to
24 Lexar. Lexar has the ability to bring the molds here and if the molds provide
25 exculpatory evidence and Lexar bears the burden, Lexar will get them here.

26 B. There are only hearsay representations from foreign national witnesses
27 supporting Lexar's description of the manufacturing process.

28 Mr. Ton Nguyen was produced on August 22nd for deposition as Lexar's

30(b)(6) most knowledgeable witness regarding the manufacturing process.

Mr. Nguyen has never seen nor had the '184 patent explained to him. See *Kramer Decl.*, Exhibit D, at page 3:15-20. He was not involved in Lexar's investigation of Sorensen's allegations of infringement *Id.*, at 4:5-11. He has never personally seen the manufacturing process for the Accused Products. *Id.*, at 16:25-17:7. Mr. Nguyen was first shown the pictures and other documents involved in the deposition two days prior to the deposition. Three days before his deposition Mr. Nguyen knew nothing of injection molding. *Id.*, at 65:5-8.

Thus, Lexar's description of the process is, at best, hearsay. Lexar's supplemental responses to stated that Lexar's process description comes from nine individuals, all with listed addresses in Taiwan.²

II. DISCOVERY PROVIDES ADDITIONAL SUPPORT FOR THE "SUBSTANTIAL LIKELIHOOD OF INFRINGEMENT" PRONG OF 35 U.S.C. § 295 APPLICATION.

Evidence produced by Lexar bolsters the existence of a "substantial likelihood of infringement" of the '184 patent, specifically by providing evidence of the use of a **common mold part**. *Supplemental Declaration of Stephen Petrie* ("2d. *Petrie Decl.*") ¶ 11.

Lexar's only articulated defense to Plaintiff's allegations of patent infringement critically relies upon Lexar's assertion that its process for making the accused products does not use any "**common mold part**." Lexar's discovery production, however, leads directly to the conclusion that the Lexar accused processes include the use of one or more **common mold parts** for at least four different reasons described below.

Use of a **common mold part** is a claim element required for direct

² Of the identified Lexar witnesses, the most knowledgeable has already been deposed – Mr. Nguyen – and he had no first hand knowledge of the manufacturing process.

1 infringement of the '184 patent. As previously explained in the Declaration of Dr.
2 Petrie (Docket # 31, "*First Petrie Decl.*"), it is not possible to determine with
3 certainty whether a **common mold part** has been used in the manufacturing process
4 solely by an examination of the accused product. Inspection of the mold tooling and
5 equipment is required to definitively determine whether a "**common mold part**" is
6 used. See *First Petrie Decl.* ¶ 19-20.

7 Plaintiff's interrogatory number 9 propounded to Lexar, stated: "Describe,
8 step-by-step, the manufacturing process used for the Accused Products, from plastic
9 resin to completed product." In initial response to this request, Lexar produced a
10 written description that

11
12 . *2d. Petrie Decl.*,
13 Exhibit 1.

14 The Storyboard

15
16
17
18
19 *2d. Petrie Decl.*, Exhibit 1.

20 Lexar produced approximately 1500 pages of documents and photographs
21 purported to demonstrate aspects of the manufacturing process. Lexar's evidence
22 paints a very different picture of the accused processes than the purported
23 exculpatory process description provided in Lexar's initial interrogatory responses.
24 *2d. Petrie Decl.*, ¶ 13.

25 The evidence demonstrating the use of **common mold parts** can be
26 summarized as follows: (1)

27
28 (2)

(3)

; and (4)

. 2d. Petrie

Decl., ¶¶ 14-28 and Exhibits 1-14.

1. First Evidence Of Common Mold Parts Usage By —
Photographs of Identical Mold Halves

The Storyboard,

The referenced photographs, however, do not back up the text. 2d. Petrie Decl., Exhibit 1.

A close look at the photographs show

Petrie Decl., ¶¶ 16-17 and Exhibits 6-9.

1 *2d. Petrie Decl., ¶ 17*

2
3 *2. Second Evidence Of **Common Mold Parts** Usage By –*
4 *Photographs of Identical Closed Molds.*

5 The Storyboard text describes

6
7
8
9 *2d. Petrie Decl., ¶¶ 18-20 and Exhibits 2-5.*

10 According to the text

11
12
13 *Petrie Decl., Exhibit 1.*

14 A visual comparison of the two photographs, however, reveals

15
16
17 *See Kramer Decl.,*
18 *Exhibit D, at page 45:20 – 47:22. 2d. Petrie Decl., ¶¶ 18-20 and Exhibits 2-5.*

19 Confirmation that by Lexar's
20 designated FRCP 30(b)(6), deposition witness makes this a judicial admission by
21 Lexar.

22 *3. Third Evidence Of **Common Mold Parts** Usage – Photos of*
23 *Rotary Molder and Molds for Rotary Molders*

24 Photograph LEXSRDT0001688 *2d. Petrie Decl., Exhibit 12, provided by*
25 Lexar shows
26
27
28

³. 2d. *Petrie Decl.*, ¶ 22.

A Rotary Molder is one designed for use with multiple injections into a series of molds held on a rotating platen not unlike a vertical version of a dining table's "Lazy Susan". In operation, the two mold halves mounted on the rotary platen connect with their facing complementary counterparts for one injection cycle, then the mold opens, and the rotary platen rotates 180 degrees, so that the parts align with the opposite complementary counterparts for the second injection cycle. At the conclusion of two injection cycles, the parts contained in the cavities formed by mating **common mold parts** with the second complementary mold part are completed, and ejected from the mold. *2d. Petrie Decl.*, ¶ 23.

2d. *Petrie Decl.*, ¶ 24.

The use of a Rotary Molder with one or two **common mold parts** is fully described and illustrated in the '184 patent at Fig. 3A-3D, drawings which illustrate the same type of four mold halves, two on a fixed platen and two on a rotary platen, depicted in *Kramer Decl.*, Exhibit I.

Lexar also produced a series of photographs of molds for the Accused Products. Lexar's counsel claims that photographs of all molds used for the Accused Products has been provided. *Kramer Decl.* ¶ 32, and Exhibit N.

The accused products molds are

2d. Petrie Decl., ¶ 21.

When designing a mold to fit a rotary molder, it is necessary for mold assemblies that are too large to fully fit within the circumference of the rotary platen to have two adjacent corners chamfered, that is, to have the outside corners of the

³ However,

1 mold cut off, to prevent interference with the tie bars (structural members of the
2 machine) during rotation of the mold. *2d. Petrie Decl.*, ¶ 21, 26.

3 Photograph LEXSRDT0001538, *2d. Petrie Decl.*, Exhibit 14) shows e
4
5
6
7

8 *2d. Petrie Decl.*, ¶ 27.

9
10 *2d. Petrie*
11 *Decl.*, ¶ 28 and Exhibits 11 and 14.
12
13
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18 4. *Fourth Evidence of Common Mold Part Usage - Lexar has now*
19 *admitted*

20
21 Just before this briefing was due, Lexar amended its process interrogatory
22 description for supplier

23 *Kramer Decl.*, Exhibit G, supplemental
24 response to Interrogatory 9. That is an admission of

25 Lexar has managed to produce numerous additional indicia to show the
26 existence of a **common mold part** in their manufacturing processes, dramatically
27 undermining their claim of non-infringement and further bolstering a finding of
28 “substantial likelihood of infringement.”

1
2 III. PLAINTIFF HAS MADE SUFFICIENT REASONABLE EFFORTS
3 REQUIRED FOR APPLICATION OF 295 BURDEN SHIFT.

4 Plaintiff has made sufficient reasonable efforts as required for application of
5 35 U.S.C. § 295. Exhaustion of efforts is not required.

6 Lexar's assertions of non-infringement depend upon a denial of the use of a
7 **common mold part**, an element of the '184 patented process. Prelitigation requests
8 for information only resulted in unsubstantiated, unverified, assertions from
9 unnamed suppliers. Discovery ordered by the Court has resulted in inconsistent,
10 hearsay, process information, much of which could only be clarified through
11 depositions of Chinese nationals, a form of discovery that is illegal in the PRC and
12 unavailable under U.S. discovery laws. Identification of manufacturers has swelled
13 from two to six.

14 Lexar photographs provided have no foundation or explanation. Sorensen
15 cannot subpoena the Chinese or Taiwanese suppliers to explain the photographs or
16 process. Similarly, the Storyboard process explanation from (*Kramer Decl.*,
17 Exhibit H) is written in poor and ambiguous English, contains inconsistencies
18 between photo and text, and demonstrates strong indicia of use of a **common mold**
19 **part**. Sorensen cannot subpoena the author of the document for cross-examination
20 or further explanation, whether a citizen of the PRC, or of Taiwan.

21 The only mode of compelling discovery in Taiwan is via letters rogatory
22 process. Under the Taiwan Relations Act, U.S. citizens can compel testimony of
23 Taiwanese citizens through the use of Letters Rogatory.
24 See http://travel.state.gov/law/info/judicial/judicial_669.html. The use of letters
25 rogatory is explicitly mentioned in legislative history of 35 U.S.C. § 295 as being an
26 effort that exceeds what is required for 295, and for which section 295 is designed to
27 alleviate the need.

28 Further, it should be noted that the U.S. does not officially recognize Taiwan

1 as an independent nation. Instead, Taiwan is considered to be a part of the People's
2 Republic of China (PRC). Plaintiff's initial 295 brief (Dkt. # 31) explained that
3 discovery in the PRC is illegal under almost all circumstances.

4 Lexar will argue that Sorensen must go to Taiwan to view its molds. Lexar
5 has not explained why the no longer used molds are in Taiwan, when production was
6 apparently in the PRC.

7 Lexar identified in its interrogatory response with a Taiwan address.
8 Document production showed the address as being in the PRC.

9 not the supplier named by Lexar, is at the Taiwan address listed.

10 In another example of discovery misdirection, Lexar identified a second
11 supplier, , with a Taiwan address. However, website identifies that
12 its headquarters are in Taiwan, but its main factory is in PRC. Further, has a
13 U.S. office located in Fremont, California, a city in the Northern District of
14 California, and Lexar has admitted that it owns the molds. Those molds are
15 therefore within the control of Lexar. If transport can be arranged from the PRC to
16 another office, why Taiwan rather than Fremont?⁴

17 Plaintiff has made reasonable efforts to obtain actual manufacturing process
18 information, but has still failed to receive it. Therefore, burden shifting is
19 appropriate at this time.

20 To clarify, application of 35 U.S.C. § 295 will not stop discovery in this case,
21 it will merely shift the burden of proof to Lexar who is obviously in a superior
22 position to access evidence from foreign companies, but thus far has not been
23 motivated to act on.

24
25 IV. 35 U.S.C. § 295 CAN BE USED BY THE COURT TO MOTIVATE A
26 RECALCITRANT DEFENDANT.

27 ⁴ While Lexar has **implied** that the molds will be made available for
28 inspection, thus far, Lexar has not actually offered to arrange inspection of the
molds.

1
2 The Federal Circuit has recognized that Section 295 is not just a burden
3 shifting mechanism, but “also serves the needs of the court as a mechanism for
4 enforcing its processes and orders.” *Nutrinova Nutrition Specialties & Food*
5 *Ingredients GmbH v. ITC*, 224 F.3d 1356, 1360 (Fed. Cir. 2000). As the *Nutrinova*
6 court noted, “[t]he statute also has a significant punitive element. It provides the trial
7 court with a potent weapon to use against a non-cooperative defendant.” *Id.*

8 Lexar’s behavior throughout discovery, not to mention the prior three years of
9 communications, was by no means cooperative.

10 Discovery has revealed systematic misrepresentations by Lexar. For over
11 three years Lexar claimed to only have two suppliers. These suppliers were
12 identified in litigation to both be located outside of the United States. By the time
13 this brief was filed, a total of six suppliers/manufacturers had been identified.

14 Lexar denied under oath the existence of more than two suppliers until after
15 the window of time had passed for Plaintiff to make any independent discovery of
16 the only U.S. based supplier.

17 Lexar also materially misrepresented the process description it received from
18 . In response to specific information, Lexar adamantly insisted that
19 even though had
20 communicated to Lexar more than once that

21 Lexar’s “offer” to arrange inspection of the molds halfway around the
22 world on a week’s advance notice and after this briefing deadline again demonstrates
23 lack of cooperation, as it sought only to refer to our correspondence noting the
24 impossibility of the schedule offered as “Plaintiff’s refusal to inspect.”

25 Not only is application of the 35 U.S.C. § 295 presumption of infringement
26 appropriate based upon the specific factors outlined in the statute, but it would also
27 meet the Federal Circuit’s recognition of use of Section 295 as a motivator to obtain
28 discovery compliance from non-cooperative defendants.

CONCLUSION

35 U.S.C. § 295 was enacted to address the problem faced by patent holders in attempting to access manufacturing process information that was hidden not only behind closed doors of factories, but behind closed doors of factories outside of the jurisdiction of U.S. courts to compel entry. The magnitude of the problem is being played out before this Court in this case.

For almost three years, Plaintiff tried informally to confirm process information with Lexar and was met with incomplete and falsely represented information from unidentified suppliers. Now that discovery has commenced, Lexar's prelitigation deceptions are surfacing and question after question has been raised about the process information provided. Lexar has zero incentive to clarify matters, and Plaintiff has no ability to compel answers from knowledgeable people.

Switching the burden of proof to Lexar at this point will ensure the highest likelihood of having the best possible evidence of the actual manufacturing process before the Court when a decision on whether Lexar infringes on Plaintiff's patent rights is made. Lexar will be properly motivated to use every effort to get all evidence before the Court that can rebut the presumption of infringement.

WHEREFORE, Plaintiff respectfully renews its request for application of the 35 U.S.C. § 295 presumption of infringement at this time.

DATED this Friday, August 29, 2008.

JENS ERIK SORENSEN, as Trustee of
SORENSEN RESEARCH AND DEVELOPMENT
TRUST, Plaintiff

/s/ J. Michael Kaler

J. Michael Kaler, Esq.
Melody A. Kramer, Esq.
Attorney for Plaintiff

PROOF OF SERVICE

I, J. Michael Kaler, declare: I am and was at the time of this service working within in the County of San Diego, California. I am over the age of 18 year and not a party to the within action. My business address is the Kaler Law Offices, 9930 Mesa Rim Road, Suite 200, San Diego, California, 92121.

On Friday, August 29, 2008 I served the following documents:

**SUPPLEMENTAL BRIEF IN SUPPORT OF PLAINTIFF'S MOTION FOR
APPLICATION OF 35 U.S.C. § 295 PRESUMPTION OF INFRINGEMENT**

DECLARATION OF STEPHEN PETRIE, Ph.D.

DECLARATION OF MELODY KRAMER

PERSON(S) SERVED	PARTY(IES) SERVED	METHOD OF SERVICE
Jared Bobrow Weil, Gotshal & Manges LLP 201 Redwood Shores Parkway Redwood Shores, CA 94065 jared.bobrow@weil.com	Lexar Media, Inc.	Email--Pleadings Filed with the Court via CM/ECF
Kevin Kudlac Weil, Gotshal & Manges LLP 8911 Capital of Texas Highway Suite 1350 Austin, TX 78759 Kevin.kudlac@weil.com	Lexar Media, Inc.	Email--Pleadings Filed with the Court via CM/ECF

- ☐ (Personal Service) I caused to be personally served in a sealed envelope hand-delivered to the office of counsel during regular business hours.
- ☐ (Federal Express) I deposited or caused to be deposited today with Federal Express in a sealed envelope containing a true copy of the foregoing documents with fees fully prepaid addressed to the above noted addressee for overnight delivery.
- ☐ (Facsimile) I caused a true copy of the foregoing documents to be transmitted by facsimile machine to the above noted addressees. The facsimile transmissions were reported as complete and without error.
- ☐ (Email) I emailed a true copy of the foregoing documents to an email address represented to be the correct email address for the above noted addressee.

☒ (Email--Pleadings Filed with the Court) Pursuant to Local Rules, I electronically filed this document via the CM/ECF system for the United States District Court for the Southern District of California.

☐ (U.S. Mail) I mailed a true copy of the foregoing documents to a mail address represented to be the correct mail address for the above noted addressee.

I declare that the foregoing is true and correct, and that this declaration was executed on Friday, August 29, 2008, in San Diego, California.

/s/ J. Michael Kaler

J. Michael Kaler